

Budget Council Minutes
Tuesday, May 22, 2012
3:30 – 4:30 pm

Terry Leist	Martha Potvin	Wendy Stock
Jim Luebbers	Anne Camper	Don Mathre
Shari Curtis	Shelley McKamey	Chris Fastnow
Marvin Lansverk	Jim Rimpau	Kathy Attebury
Jeanne Wilkinson	Joel Schumacher	Megan Bergstedt
Bill Van Horn, guest	Daniel Adams, guest	

I. Call to Order

II. Approval of Minutes

The minutes were approved with no changes.

III. University Wide Information/Announcements

Membership changes to the Budget Council are as follows: Jeff Jacobsen was reappointed for a second term representing Dean’s Council, Joel Schumacher was appointed for his first term as the Outreach representative (replacing Shelley McKamey), Doralyn Rossmann was reappointed for a second term representing Faculty Council and Shari Curtis was appointed to her first term as the Staff Senate representative.

Open MSU Update: Daniel Adams and Bill Van Horn updated the Budget Council on OpenMSU, how they surveyed campus and how the information will be used. The service provider survey targeted departmental areas such as accounting, finance and human resources, with a 71% response rate. The customer’s survey targeted those who use the services, with a 44% response rate. The purpose is to identify opportunities and establish baseline measures to assess future changes, such as automation of processes, communication of changes, responsiveness and customer service. More communication can be expected as the process moves along.

Planning Council is continuing work on the strategic plan and has created subgroups to better define each goal. The draft is posted on the Planning Council website <http://www.montana.edu/opa/coms/councils/pcouncil/index.html> where comments can be submitted. The final draft will be presented to University Council in September 2012.

The next Board of Regents meeting will be held in Havre on May 24-25. Consent items include parking, painting and ADA projects that received Board authorizations three years ago and are asking for an extension. The MSU Refunding Revenue Bond item is asking for authority to borrow money, taking advantage of lower interest rates, and to pay interest on new debt until 2014 when the bonds are callable. The Student Fee Proposal item has proposed separating \$2.43 from the student activity fee for the Exponent. This would allow the Exponent the

opportunity to write independently about their government without going through ASMSU. The Loan Deferral item from MSU Northern is requesting a two-year deferral of the \$150,000 due on their loan from Bozeman. This would allow them flexibility to make some needed improvements on campus.

IV. Updates:

- FY13 Budget & FY13 Macro

Per Enrollment Management, MSU is projecting 500 additional students for Fall 2012, with a growth of 359 FTE. The general fund is increasing from FY12 to FY13 by about \$116,000 and a 5% tuition increase this fall may result in approximately \$8M in revenue. Tuition waivers will produce around \$16M, but will also be expensed. In comparing FY12 and FY13, the total net increase from tuition and tuition waivers is projected to be \$9M in FY13.

Approximately 95% of program fees will be allocated as base dollars in FY13. The remainder of the funds will be allocated later in the year when enrollment numbers are final. Program fee expenditures equal the program fee revenues.

The MSU Alumni operation has been merged with the MSU Foundation. The general university reserve has increased to include an earmark for the MSU Foundation payment. The MSU Alumni Foundation is adding additional support resources for their comprehensive campaign. Under the previous model, we cost-shared Development Officers, but starting in FY12, MSU will pay a lump sum for services provided.

On the handout, Jim Rimpau suggested relabeling “Investment in Human Resources” to “Pay Plan” so people understand it is the pay plan, and not the Human Resources department. It was explained the Board of Regents chose this terminology upon the approval of the raise, in an effort to separate it from a state pay plan.

It was proposed to earmark \$600,000 for additional enrollment growth, to be set aside in university reserves until enrollment numbers are final.

Investment proposal process earmarks are \$1M each for base and one-time dollars, open to Council suggestions. It was asked if there was a plan to combine efforts of both OpenMSU and investment proposals. This was shared with the President and she advised OpenMSU investment requests go through the Strategic Investment Proposal process. It was also suggested money be set aside for the President to use for funding special projects.

Terry Leist suggested separating personnel services from operational funds. Many departments need to use vacancy savings to operate; however it may be more appropriate for these savings to roll up to a higher level for institutional use. However, operating Budgets for departments would need to be improved if we don't allow departments to use vacancy savings for operating expenses.

Anne Camper asked for clarification on the MSU monies transferred to UM in FY12, due to the rebasing of budgets by OCHE. Due to anticipated reduction in UM's enrollment and an increase in MSU's enrollment numbers, we are hopeful the OCHE funding model will revert about \$3M back to MSU (in the next biennium).

Wendy Stock suggested keeping the Board of Regents strategic goal of 50% of expenditures to academics in mind when making funding decisions. Currently we are working toward these goals and will continue working with OCHE, possibly adding a page to show academic investments and the progress towards meeting this goal.

- Fund Balance Update

The Board of Regents allows MSU to put state money at fiscal year-end into several reserve accounts (scholarships, stipends, retirement, revolving). It may be beneficial to invest some of these one-time monies for projects or invest in other revenue opportunities. A list of suggested investment ideas will be prepared and distributed for input by the Council. The strategic plan should be used for investment direction.

- Strategic Investment Proposal Process Update

Two surveys were conducted for feedback from campus. The participant survey was more effective than the non-participant survey, which was a mass email. People asked us to communicate important information through their supervisors. Kathy Attebury and Megan Bergstedt met with Jake Dolan, Communications Services, to see if we could automate this process for next year. It was suggested that it would be helpful to hold an information session about future processes at the beginning of the cycle. Kathy Attebury also suggested creating a small workgroup to discuss process revisions, including better public relations after the process and a different timeline, dependent on funding available. The list of investment proposal requests from the FY12 process continues to be used when funding becomes available.

- Next meeting – June 26

It was decided that the Budget Council would meet on June 26 to make any final funding decisions using remaining year-end balances.